

## Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 IO-10 ISO-00 NEAE-00 SSM-03 DHA-02

ORM-02 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01 SAB-01

SCCT-01 /089 W

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P R 261643Z NOV 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC PRIORITY 9142

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY BONN

AMCONSUL JERUSALEM

USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 1 OF 2 TEL AVIV 7507

NEA PLEASE PASS AMBASSADOR TOON

E.O. 11652: GDS

TAGS: PFOR, IS, JO

SUBJECT: ISRAEL AGAIN FACES ITS PALESTINIAN DILEMMA

REF: TEL AVIV 0853

1. SUMMARY: AFTER RABAT CONFERENCE AND ARAFAT'S UNGA  
APPEARANCE LAST YEAR, GOI WAS APRED NECESSITY OF  
REASSESSING ITS PALESTINIAN POLICY. RECENT EVENTS HAVE  
AGAIN FORCED THIS ISSUE TO FOREFRONT OF INTERNATIONAL  
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STAGE, AND HAVE LED ISRAELI POLITICANS AND COMMENTATORS TO

BEGIN TAKING HARD SECOND-LOOK. CONFLUENCE OF EVENTS IN LAST MONTH--PARTICULARLY PASSAGE OF TWO PRO-PLO RESOLUTIONS AT UNGA, APPEARANCE OF SAUNDERS DOCUMENT, AND PROMINENCE OF PALESTINIAN ISSUE IN FOREIGN MINISTER ALLON'S EUROPEAN TRIP--HAS DRIVEN HOME MESSAGE OF INCREASING INTERNATIONAL PRESSURE FOR ACTION. ISRAELI LEADERS ARE BECOMING AWARE THAT THEIR FRIENDS ABROAD EXPECT SOMETHING NEW FROM THEM. AT THIS POINT, HOWEVER, WE DO NOT SEE GOI COMING UP WITH ANY NEW APPROACH. PRIME MINISTER RABIN'S PUBLIC STATEMENTS HAVE BEEN LIMITED TO STRONG REAFFIRMATION OF GOI POSITION. ALLON IN PRESS BACKGROUNDEES HAS ALLUDED TO INTENTION TO FLOAT NEW INITIATIVE IN NEXT WEEKS, BUT COMMENTATORS ARE SKEPTICAL. CHAIRMAN OF KNESSET FOREIGN AFFAIRS AND SECURITY COMMITTEE NAVON, EX-FOREIGN MINISTER EBAN, EX-HISTADRUT HEAD BEN-AHARON, MAPAM/ILP MINISTERS AND HOST OF MODERATE COMMENTATORS FAVOR "YARIV FORMULA" (EXPRESSING READINESS TO TALK WITH ANY PALESTINIAN ORGANIZATION ACCEPTING ISRAEL AND RENOUNCING USE OF TERROR) WHICH GOI HAD REJECTED LAST YEAR. SOME LOCAL OBSERVERS BELIEVE CABINET MAY RECONSIDER THIS APPROACH IN COMING MONTHS, BUT VIEWS ARE DIVIDED ON WHETHER EVEN THIS KIND OF TACTICAL STEP WOULD PASS. FROM OUR PERSPECTIVE, ISRAEL'S PALESTINIAN DILEMMA DESPITE NEW FERMENT APPEARS AS INTRACTABLE AS BEFORE. DOMESTIC POLITICAL CONSTRAINTS CONTINUE TO OPERATE AGAINST BOLD NEW INITIATIVES, AND LATEST TERRORIST INCIDENTS FURTHER REINFORCE DIS-INCLINATION TO RECONSIDER PALESTINIAN POLICY. END SUMMARY.

2. THE PALESTINIAN ISSUE: A YEAR OF NEGLECT. AFTER RABAT CONFERENCE AND ARAFAT'S UNGA SPEECH, ISRAEL PUT PALESTINIAN ISSUE ON BACKBURNER AND CONCENTRATED ITS DIPLOMATIC EFFORTS ON NEGOTIATING INTERIM AGREEMENT WITH EGYPT. IN SUMMER 1974 GOI HAD SPELLED OUT ITS POSITION ON PALESTINIAN QUESTION IN UNEQUIVOCAL TERMS (A SOLUTION FOR THE PALESTINIAN PROBLEM WAS TO EMERGE IN THE CONTEXT OF A SETTLEMENT WITH JORDAN; THERE WAS ROOM FOR ONLY TWO STATES IN THE AREA MANDATORY PALESTINE; AND THERE WOULD BE NO NEGOTIATIONS WITH THE "SO-CALLED PLO"). FOR THE GOVERNMENT, AND MOST OF THE ISRAELI PUBLIC, THIS WAS A SUFFICIENT ANSWER TO A PROBLEM FOR WHICH NO BETTER ALTERNATIVE--FROM AN

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ISRAELI PERSPECTIVE--SEEMED AVAILABLE. THE ONE EFFORT TO INTRODUCE SOME OTHER APPROACH WAS THE INSTANTLY-ABORTED INITIATIVE OF THEN MINISTER OF INFORMATION YARIV IN JULY 1974 PROPOSING THAT GOI DECLARE ITS READINESS TO NEGOTIATE WITH ANY ORGANIZATION PREPARED TO RECOGNIZE ISRAEL'S EXISTENCE AND RENOUNCE USE OF TERROR. RABIN SHOT DOWN THIS INITIATIVE, IN LARGE MEASURE SO AS NOT TO PRECLUDE WHAT AT THAT TIME STILL APPEARED TO BE A LIVE JORDANIAN

OPTION AND ALSO IN ORDER TO AVOID CREATING UNNECESSARY  
DOMESTIC PROBLEMS FOR HIS FLEDGLING COALITION GOVERNMENT.

3. AFTER A YEAR IN WHICH DOMESTIC DISCUSSION OF THE  
PALESTINIAN QUESTION LANGUISHED, IT HAS NOW BEEN PROPELLED  
TO THE FOREFRONT OF PUBLIC ATTENTION BY THREE DEVELOPMENTS  
THIS MONTH: A) PASSAGE BY UNGA OF TWO PRO-PALESTINIAN  
RESOLUTIONS, ONE CALLING FOR PLO INVITATION TO RECONVENED  
GENEVA CONFERENCE AND THE OTHER ESTABLISHING A COMMITTEE  
TO STUDY WAYS OF IMPLEMENTING PALESTINIANS RIGHTS. ISRAELI  
COMMENTATORS WERE QUICK TO NOTE THAT PALESTINIAN RESOLUTIONS  
GRNERED MORE INTERNATIONAL SUPPORT THAN UNGA'S CONDEMNATION  
OF ZIONISM; B) PUBLICITY ACCORDED SAUNDERS HIRC TESTIMONY  
WHICH, ALTHOUGH PRESENTED AS NON-OPERATIONAL DOCUMENT AND  
FOLLOWED BY SECRETARY'S REPEATED DECLARATIONS THAT IT  
CONTAINED NO CHANGE OF US POLICY ON PLO, WAS READ HERE AS  
SIGNAL OF US INTENTION TO GIVE GREATER CENTRALITY AND  
URGENCY TO SOLUTION OF PALESTINIAN PROBLEM (KNESSET  
DELEGATION RETURNED FROM US WITH THIS JUDGMENT); AND  
C) IMPRESSION GAINED BY ALLON DURING LATEST EUROPEAN TRIP  
THAT ADEQUACY OF ISRAELI POSITION ONPALESTINIANS IS UNDER  
CHALLENGE EVEN BY TRADITIONAL FRIENDS. ALLON TOLD TV  
INTERVIEWERS THAT PALESTINIAN ISSUE WAS PROMINENT SUBJECT  
IN HIS DISCUSSIONS WITH DUTCH AND BELGIANS, AND IN HIS  
MEETINGS WITH EUROPEAN SOCIALISTS AT MANNHEIM,  
ALL OF HAD URGED GOI TO RECONSIDER ITS POSITION.

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NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01 SAB-01

SCCT-01 /089 W

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P R 261643Z NOV 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC PRIORITY 9143

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT  
AMEMBASSY CAIRO  
AMEMBASSY DAMASCUS  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
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C O N F I D E N T I A L SECTION 2 OF 2 TEL AVIV 7507

4. THERE SEEMS TO BE CONSIDERABLE UNCERTAINTY AMONG ISRAELI COMMENTATORS AS TO SIGNIFICANCE OF SAUNDERS DOCUMENT FOR US MIDDLE EAST POLICY. ON ONE HAND THEY HAVE NOTED SECRETARY'S STATEMENTS OF NO CHANGE, US REJECTION OF SOVIET PROPOSAL FOR CONVENING OF GENEVA CONFERENCE WITH PLO PARTICIPATION, AND SIGNS OF CONTINUING PREFERENCE FOR EFFORT AT INITIATING NEGOTIATIONS FOR SYRIAN/ISRAELI INTERIM AGREEMENT. ON OTHER HAND, THEY HAVE PICKED UP MAIN CRITICAL THEMES OF NOVEMBER 16 CABINET DISCUSSION (TA 7291) AND SPECULATED THAT DOCUMENT WAS TRIAL BALLOON SIGNALLING ENHANCED US RECEPTIVITY TO POSSIBLE CHANGE IN PLO'S POSITION ON ISRAEL.

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5. AS TO SENIOR LEADERSHIP, RABIN HAS NOT SIGNIFICANTLY ENLIGHTENED ISRAELI PUBLIC, ON ONE HAND ATTACKING SAUNDERS DOCUMENT IN SPEECH NOVEMBER 20 AS REplete WITH MISREPRESENTATIONS AND DISTORTIONS WHILE ON THE OTHER HAND ISSUING LOW-KEY CLARIFICATION TO PRESS THAT IT DOES NOT REPRESENT CHANGE IN US POLICY. DEFENSE MINISTER PERES REPORTEDLY READ SAUNDERS DOCUMENT AS REPRESENTING SEVERAL SIGNALS: US ENCOURAGEMENT FOR RENEWAL OF UNDOF MANDATE BY SYRIANS, WHO HAVE BEEN URGING SOME STEP TOWARD THE PALESTINIANS; AND AN EFFORT TO INFLUENCE CHANGE IN PLO POSTURE TOWARD RECOGNITION OF ISRAEL SO AS TO OPEN UP NEW NEGOTIATING OPTION.

6. DIPLOMATIC COMMENTATORS OVER WEEKEND HAVE HIGHLIGHTED STORIES, PRESUMABLY ON BACKGROUND FROM MFA, THAT ALLON IS CONSIDERING NEW PALESTINIAN INITIATIVE IN NEXT WEEKS. LOCAL OBSERVERS ARE UNCERTAIN WHAT HE HAS IN MIND. WE HAVE HEARD FOLLOWING GUESSES: A) HE IS RECONSIDERING "YARIV FORMULA"; B) HE WILL PROPOSE PLAN FOR INCREASED AUTONOMY OF WEST BANK; C) HE WILL SUGGEST SOME KIND OF FEDERATION SCHEME; AND D) HE WILL CONFINE HIMSELF TO VAGUE FORMULAS. IN ANY CASE, THERE SEEMS TO BE WIDE LOCAL CONSENSUS THAT ANY

NEW PROPOSAL, WHETHER FROM ALLON OR OTHER MINISTER, WILL  
FACE TOUGH CHALLENGE IN CABINET.

7. IT IS TOO EARLY TO OFFER A FIRM JUDGMENT ON WHAT, IF ANY,  
CHANGES THERE WILL BE IN GOI POLICY. ISRAELIS STILL PREFER A  
JORDANIAN OPTION AND OPE ARABS WILL ONE DAY REVERSE RABAT  
DECISION. AT SAME TIME THERE IS NEW FERMENT RE NECESSITY  
OF EXAMINING OTHER OPTIONS, OF ONLY FOR TACTICAL PURPOSES.  
MODERATE ELEMENTS WITH LABOR PARTY--INCLUDING NAVON, BEN  
AHARON AND EBAN--AS WELL AS MAPAM AND INDEPENDENT LIBERALS  
LEADERS HAVE PRESSED FOR RECONSIDERATION OF YARIV FORMULA.  
EDITORS AND COMMENTATORS ARE URGING GOVERNMENT TO CONDUCT  
NEW POLICY DEBATE AND FORMULATE NEW APPROACH. SOME OF  
THEM ALSO RECOMMEND THAT RABIN MOVE UP THE NEXT ELECTION  
FROM END OF 1977 TO AS EARLY AS POSSIBLE IN 1976 IN ORDER  
TO GET A "PEACE MANDATE". ON OTHER HAND, MORE HARDLINE  
ELEMENTS IN LABOR PARTY AS WELL AS NATIONAL  
RELIGIOUS PARTY CAN BE EXPECTED TO OPPOSE EVEN TACTICAL  
OPENING TO PALESTINIAN ORGANIZATIONS.  
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8. AT THIS STAGE, OUR TENTATIVE CONCLUSION IS THAT ISRAELI  
REACTIONS ON PALESTINIAN ISSUE ONCE AGAIN HAVE DRAMATIZED  
NEURALGIC SENSITIVITY HERE TO PLO CHALLENGE AND DEFENSIVENESS  
OF GOI POSITION, BUT THAT LATEST DEVELOPMENTS HAVE  
NOT GENERATED NEW IDEAS OR PROPOSALS. MOREOVER,  
CONSTRAINTS OF COALITION POLITICS CONTINUE AS IN PAST TO  
OPERATE AS DISINCENTIVE FOR CONSIDERATION OF NEW INITIATIVES.  
TERRORIST INCIDENTS, SUCH AS NOVEMBER 13 JERUSALEM  
EXPLOSION AND NOVEMBER 20 PENETRATION OF GOLAN HEIGHTS  
RELIGIOUS SETTLEMENT, ALSO HEAVILY CONDITION POLITICAL  
ATMOSPHERE. IN SUM, RECENT EVENTS--  
PARTICULARLY SAUNDERS DOCUMENT--HAVE PROVOKED SOME  
RETHINKING BUT INERTIA INHERENT IN  
ISRAELI POSITION ON THIS CRUCIAL QUESTION REMAINS  
ESSENTIALLY UNAFFECTED THUS FAR.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Subject:** ISRAEL AGAIN FACES ITS PALESTINIAN DILEMMA  
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**To:** STATE  
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